Q & A with Okan Sen National Marketing Manager Continental Tire Canada, Inc.

March 8th, 2019

Q: Would you please address why, after only 30,000km of wear, Mr. Renaud's tires were so worn out that they had to be replaced? This seems to be his main bone of contention - given that he purchased the tires based on a promised 112,000 km warranty.

A: In order to better answer your question, I would like to start with what Total Confidence Plan and mileage warranty are and are not.

At Continental, we have a comprehensive warranty offer for all replacement (after market) passenger and light truck tires, which we call 'Total Confidence Plan' and mileage warranty is a component of this offer.

So, as explained on our previous communication, "The mentioned Continental brand PureContact tires are warranted against wear out, up to the indicated kilometer coverage, 112.000km, **ONLY IF** tires are not subject to conditions described in section #4 of Total Confidence Plan.

In order to make this an easy read for you, below I also added a **brief description of our mileage warranty** together with its terms, as well as earlier stated **Section#4**: Which situations are NOT covered by the Total Confidence Plan.

#### Mileage Warranty:

The Continental brand tires listed below are warranted against wearout up to the mileage/kilometer coverage indicated, even though the actual mileage/kilometers you may get from your tires may vary because of driving habits and road conditions. Subject to the provisions of Section 4 in the Total Confidence Plan, if one of the tires listed in this section wears out before the stated mileage/kilometer coverage, CTA will warrant the tire on a pro-rata basis as indicated herein. "Wearout" means that the tire's tread has worn evenly down to the tread wear indicators (2/32nds of an inch or 1.6 mm of tread remaining.) "Pro-rata" for this Mileage Warranty is measured by the odometer readings at the time of the tire's purchase\*, as shown by the original tire receipt and proof-of-purchase, and the odometer reading at the time of replacement. In addition, you must present a fully completed, legible Rotation Schedule, which is found in the original owner's copy of the Total Confidence Plan.

# 4. WHAT IS NOT COVERED BY THE TOTAL CONFIDENCE PLAN:

- · CTA does not warrant any repaired tire.
- Road hazard: Any road hazard condition after the first 2/32nds (1.6mm) of an inch of treadwear or 12 months of service, whichever comes first.
- Ride Vibration: Any ride/vibration condition after the first 2/32nds (1.6 mm) of an inch of treadwear or 12 months of service, whichever comes first.
- Improper operation or maintenance: This includes, but is not limited to, effects caused by:
  - I Improper tire inflation and/or improper load/speed practices. These practices can cause excessive operational temperatures and stresses that exceed the tire's capabilities.
  - II Improper or insufficient tire rotation: Any tire with premature or irregular wear caused by failing to follow the recommended tire rotation pattern and/or mileage intervals as delineated by this Total Confidence Plan.
  - III Wear due to Improper vehicle alignment: includes but not limited to uneven, irregular, or spotty wear, cupping or feathering.

#### IV Damage due to:

- Rim irregularities or rim damage
- Snow chains
- Vehicle mechanical problems, including brake problems, and vehicle wheel alignment
- Extreme temperature exposure
- Negligent and abusive driving such as tire spinning, or racing
- Improper tire storage
- Automotive accident
- Chemical corrosion or Fire
- Use contrary to the vehicles manufacturer's tire recommendations
- Improper stud size and/or installation

These documents are also made available on our website: <a href="https://www.continentaltire.ca/car/tires/warranty">https://www.continentaltire.ca/car/tires/warranty</a>

As a scientific fact, no matter what brand or what pattern your tires are, no one can precisely predict what your final tire mileage will be.

This is due to the fact that final mileage depends not only on the tires, but also on many external factors such as driving habits, road conditions, vehicle maintenance including wheel alignment, vehicle mechanical systems such as brakes and suspension systems as well as proper tire rotation, tire maintenance including regular(at least monthly) air check.

Our mileage warranty offers customers a way to receive a credit back towards a new set of Continental tires, in case tires underperform the warranty despite all the above indicated proper maintenance and usage related to tires by the consumer.

In this specific case, as previously indicated, **Tires have never been sent to Continental for technical inspection**.

This is why, as Continental, we have no findings, and so we are unable to report on why tires performed or not performed up to expectations.

That being said, here is the only set of information that we have, as the remaining tread depth measurements done by Canadian Tire store manager:

- Tire #1 6/32" to 4/32"
  - Tire #2 − 4/32" to 2/32"
  - Tire #3 − 4/32" to 3/32"
  - Tire #4 − 3/32" to 2/32"

At this given time, we can only provide our comments, assuming Canadian Tire measurements were correct. If you would like to hear, these measurements prove presence of quite a variety of different tread depths left, from one tire to the other, as well as from the inner shoulder of the tire to the outer. Again, assuming measurements are correctly done, this is a sign of 'uneven wear' which makes Total Confidence Plan and mileage warranty inapplicable as indicated above in the description of mileage warranty: 'Wear out means that the tire's tread has worn evenly down ......' and also in Section #4: improper operations and maintenance. These were also the comments made by our local District manager.

For your information, all external issues such as mechanical problems, lack of maintenance, may contribute to a tire wear twice or 3 times faster than the averages.

Q: You mentioned it's normal to discontinue a tire, but would you tell us whether there were issues with the Pure Contact 205/55R16 91H All Season Tires? Had Continental received other complaints on this specific tire?

A: Pure Contact is a tire line that has been successfully selling in North America for more than 4 years. This tire has quite good reputation in the market place and so far to our knowledge, we have not received any complaints nor had any issue similar to this one with the product. As true for most of the products in most of the industries, tire lines also have an average life span of 4 to 5 years. After that point, due to technological advancements, due to research and development,

tire lines can be discontinued or phased out as we call it. It is very natural and normal to replace a tire line after 4 to 5 years with its newer and improved successor.

Q: In addition, you mentioned there were no photos provided and that Continental never looked at Mr. Renaud's tires. If so, how can Continental make an assessment of uneven wear without seeing the tires in question, or conducting a proper inspection?

A: I think we have already answered this question above while we answered your first question. Saying that, I would like to restate that we have not made an official assessment of these tires because we have never received them for inspection.

Additionally, to our knowledge, Canadian Tire store was advised by our local District manager to get the tires sent to Continental for inspection which never happened.

As customer satisfaction and customer care has great importance at Continental, I would like to underline that if the customer is still willing to receive an official Continental inspection and report, we would be happy to do so.

Indeed, for that to happen, we will be needing these tires shipped to Continental's related technical department with proper documentation and warranty claim forms filled in by the tire store.

## Q: How often does Continental make an assessment on their tire warranties without an inspection or pictures?

A: Just to answer your question, we have never done an assessment without inspecting tires and we will never do that.

We make inspections and prepare official assessment reports only for tires sent to us with proper documentation.

# Q: Does Continental require a physical inspection of a customer's tires in order to pay out on a warranty?

A: Yes. However, under certain circumstances, trusted partners can inspect the tires on our behalf.

### Q: How often do customers ship their tires to Caledon within Canada for inspection?

A: Outside of the exception noted above, our distributors and retailers ship tires to Caledon as required.

### Q: Would you tell us how many tires were shipped for that purpose last year?

A: We cannot share as this is a company proprietary information.